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IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'A' Bench, Hyderabad

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BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं / **ITA No.1213/Hyd/2024**
(निर्धारण वर्ष / Assessment Year: 2016-17)

Income Tax Officer (Exemptions), Ward-1(4), Hyderabad.	Vs.	Sri Veerabhadra Swamy Temple, Warangal. PAN:AADAS5109E
(Appellant)		(Respondent)
निर्धारिती द्वारा / Assessee by:	Shri K.V. Chalamaiah, C.A.	
राजस्व द्वारा / Revenue by:	Shri Rahul Singhania, SR-DR	
सुनवाई की तारीख / Date of hearing:	06/05/2025	
घोषणा की तारीख / Pronouncement:	03/06/2025	

आदेश/ORDER

PER MADHUSUDAN SAWDIA, A.M. :

This appeal is filed by the revenue in the case of Sri Veerabhadra Swami Temple ("the assessee"), feeling aggrieved by the order passed by the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), dated 19.09.2024 for the A.Y. 2016-17.

2. The revenue has raised the following grounds of appeal :

- "1. The order of the Ld.CIT(A) is erroneous both on facts and in law.*
- 2. The Ld.CIT(A) erred in not considering the fact that section 10(23BBA) clearly distinguishes between the 'bodies' that manage the temples and the temples themselves'. While it specifically exempts the income of any trust,*

endowment or society etc that are managing the religious places such as temples from tax exemption, it categorically states that the religious places themselves, i.e temples etc are themselves not exempted from taxation.

3. The Ld.CIT(A) erred in not appreciating the fact that the principle of res judicata does not apply to income tax proceedings and each year's assessment is final only for that year and does not govern later years, as observed by the Hon'ble Supreme court in the case of New Jehangir Vakil Mills Co Ltd Vs CIT; [1963] 49 ITR 137 (SC)(full bench). The Ld.CIT(A) erred in placing basis on the assessment order of the assessee for the A.Y 2019-20- where AO has accepted the exemption claim u/s 10(23BBA)- in arriving at the decision for the present year.

4. The Ld.CIT(A) erred in placing reliance on the Judgments of Hon'ble High Court of Kerala in the case of Payyanur Sree Subrahmanya Swami Temple v. ITO (W.P. (C) No. 8524 of 2019) and the judgment of Honourable Rajasthan High Court, in the case of CIT v. Bade Mathureshji Temple Board and gave relief to the assessee without appreciating the fact that, the facts and circumstances of the above cases are different from the present assessee's case.

5. Any other ground that may be urged at the time to time of hearing of the case.”

3. The brief facts of the case are that the assessee is a temple, did not file any Return of Income (“ROI”) for A.Y. 2016-17. Based on information of large cash deposits, a notice u/s.148 of the Income Tax Act, 1961 (“the Act”) was issued by the Learned Assessing Officer (“Ld. AO”) on 31.03.2021 to the assessee. Subsequently, several other notices u/s.142(1) of the Act and show cause notice were also issued to the assessee. However, the assessee did not respond to any of the notices during the assessment proceedings. The Ld. AO, based on information collected u/s.133(6) of the Act, found that the assessee had deposited cash of Rs.1,88,88,326/- in its bank account with Andhra

Pradesh Grameen Vikas Bank, Korivi, Mahabubabad. In absence of any explanation from the assessee, the Ld. AO treated the cash deposits as unexplained income u/s. 69 of the Act and completed the assessment u/s.147 r.w.s. 144 on 31.03.2022, determining the total income of the assessee at Rs.1,88,88,326/-.

4. Aggrieved with the order of Learned Assessing Officer (“Ld. AO”), the assessee filed appeal before the Ld. CIT(A). Before the Ld. CIT(A), the assessee claimed that the income of the assessee is exempted u/s.10(23BBA) of the Act. The Ld. CIT(A) accepted the claim of the assessee and deleted the addition made by the Ld. AO.

5. Aggrieved with the order of Ld. CIT(A), the revenue is in appeal before us. The Learned Department Representative (“Ld. DR”) submitted that, the Ld. CIT(A) allowed the exemption u/s.10(23BBA) of the Act to the assessee on the ground that, the Ld. AO has allowed the same to the assessee for A.Y. 2019-20, without considering the facts that the principle of res judicata is not applicable to the income tax proceedings. He further submitted that, section 10(23BBA) of the Act grants exemption only to statutory bodies or authorities constituted under law for the administration of public religious or charitable trusts, and not directly to individual temples. Since the assessee is not an authority or body in accordance with the provisions of section 10(23BBA) of the Act, exemption u/s.10(23BBA) cannot be granted to the assessee. In support of their submission, the Ld. DR placed reliance on the decision of Hon'ble Madras High Court in the case of M/s. Sri Amirthakadeswaraswamy Devasthanam Dharumapuram Adheenam Vs. ACIT & Others (W.P. No.29315 of 2019 pronounced on 18.02.2021). It was accordingly submitted that, the order of Ld. CIT(A) is liable to be set aside.

6. Per contra, the Learned Authorised Representative (“Ld. AR”) invited our attention to page nos.8 to 12 of the paper book and submitted that, the assessee is registered under the Andhra Pradesh Charitable and Hindu Religious Institutions and Endowment Act, 1987 and has been issued a certificate u/s.43(1) of the said action. He also submitted that, all the assets and income of the assessee are under the supervision and control of Endowment Department of the state government. Hence, the assessee is eligible for exemption u/s.10(23BBA) of the Act. The Ld. AR further invited our attention to the assessment order for A.Y. 2019-20 placed at page nos.1 to 3 of the paper book and submitted that, the Ld. AO has accepted the claim of the assessee u/s.10(23BBA) of the Act vide assessment order dated 26.02.2024. Therefore, on the principle of consistency, the exemption cannot be denied for the A.Y. 2016-17 in the absence of any change in facts or law.

7. We have heard the rival contentions and also gone through the record in the light of the submissions made by either side. We have gone through the assessment order for A.Y. 2019-20 in the case of the assessee, placed at page nos.1 to 3 of the paper book, which is to the following effect :

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**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT**



1.	PAN	AADAS5109E
2.	Name of the assessee	SRI VEERABHADRA SWAMY TEMPLE
3.	Address of the assessee	, KURAVI MAHABUBABAD, WARANGAL 506101, Andhra Pradesh, India
4.	Assessment Year	2019-20
5.	Status	AOP(ASSOCIATION OF PERSONS)
6.	Residential Status	Resident
7.	Date of service of Notice under section 143(2) of the Income-tax Act	As per Order Sheet
8.	Date(s) of issue of Notice(s) under section 142(1) of the Income-tax Act	09/08/2023
9.	Order passed under section	147 r.w.s 144 read with section 144B of the Income-tax Act
10.	Date of Order	26/02/2024
11.	DIN	ITBA/AST/S/147/2023-24/1061515549(1)

ASSESSMENT ORDER

1. Reasons for selection of the Case and Type of Case and background facts:-

The Assessee did not file return of income u/s 139 for A.Y. 2019-20. The case of the assessee was re-opened u/s.147 r.w.s 148A of the I.T. Act by issuing notice u/s.148 on 31.03.2023. As per information in insight portal and as per order u/s. 148A(d) of the I.T. Act passed on 31.03.2023, the assessee made transactions of large cash deposits of Rs. 2,25,09,446/- in its Savings Bank account No. 1043826224 with Andhra Pradesh Grameena Vikas Bank (PAN: AAAJA1351N) during F.Y. 2018-19, summarized as under:

PAN : AADAS109E

Information Code	Information Description	Source	Count	Amount Description	Amount (Rs.)
SFT-004	Cash deposits in one or more accounts (other than a current account and time deposit) of a person	A.P. GRAMEENA VIKAS BANK	1	Aggregate gross amount received from person in cash	2,25,09,446

2. Details of opportunities given:

Type of notice/communication	Date of notice/communication	Date of compliance given	Response of the assessee received/not received	Date of response if received	Response type (Full/part/adjournment)	Remarks if any.
148	31.03.2023	30.04.2023	Not received	--	--	No return/ no reply
142(1)	09.08.2023	23.08.2023	Not received	--	--	No reply
Letter Issued	24.08.2023	29.08.2023	Received	14.09.2023	Part	---
NaFAC Centralised communication	26.10.2023	Immediate response requested	Received	31.10.2023	Part	---
SCN	17.01.2024	24.01.2024	Received	24.01.2024	Adjournment	---
Letter Issued	27.01.2024	05.02.2024	Received	05.02.2024	Part	---

3. As per information in insight portal and as per order u/s. 148A(d) of the I.T. Act passed on 31.03.2023, the assessee made transactions of large cash deposits of Rs. 2,25,09,446/- in its Savings Bank account No. 1043826224 with Andhra Pradesh Grameena Vikas Bank (PAN: AAAJA1351N) during F.Y. 2018-19.

In response to notices issued u/s 142(1) and SCN issued, the assessee filed reply on 14.09.2023, 31.10.2023, 11.11.2023 and 05.02.2023 and requested to drop the assessment proceedings stating that assessee temple is not required to file the

return of income and its income is exempted from tax u/s 10(23BBA) of the Income tax Act.

4. Having perused the details filed and considering the assessee's submission, assessed income is computed as Rs. Nil.

Assessed u/s 147 r.w.s. 144B of Income-tax Act, 1961. Tax and interest are calculated accordingly. Demand notice and challan are issued herewith.

Assessment Unit
Income Tax Department

7.1 On perusal of above, we found that after going through the submission filed by the assessee, the Ld. AO has allowed the exemption u/s.10(23BBA) of the Act to the assessee for A.Y. 2019-20 vide his order dated 26.02.2024. It is undisputed that the order for A.Y. 2016-17 was an ex-party order and the Ld. AO could not adjudicate on the issue of allowability of exemption u/s 10(23BBA) of the Act to the assessee. However for A.Y. 2019-20 the Ld. AO has allowed the exemption u/s.10(23BBA) of the Act to the assessee for A.Y. 2019-20 after going through the submission filed by the assessee. The facts and legal provision applicable to A.Y. 2016-17 and A.Y. 2019-20 are claimed to be identical by the assessee. Further, no distinguishable material with regard to any change in facts or law has been brought to our notice by the

revenue. We are in agreement with the contention of the revenue, that principle of resjudicata is not applicable to the income tax proceedings. But when there is no changes in facts or law, a consistent approach should be adopted by the revenue. Accordingly, when the revenue has accepted a particular view for A.Y. 2019-20, it is not allowed to take a different view for A.Y. 2016-17. Therefore, when the Ld. AO has allowed the exemption u/s.10(23BBA) of the Act to assessee for A.Y. 2019-20, we do not find any reason to interfere with the impugned order of Ld. CIT(A) allowing the exemption u/s.10(23BBA) of the Act for A.Y. 2016-17. Therefore, we allow the exemption u/s.10(23BBA) of the Act for A.Y. 2016-17 to the assessee. Accordingly, the appeal filed by the revenue is dismissed.

8. In the result, the appeal filed by the revenue is dismissed.

Order pronounced in the open Court on 3rd June, 2025.

Sd/-
(VIJAY PAL RAO)
VICE PRESIDENT

Sd/-
(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER

Hyderabad.
Dated: 03.06.2025.

* Reddy gp

Copy of the Order forwarded to :

1.	Sri Veerabhadra Swami Temple, Kuravi Mahabubabad, Warangal-506 101
2.	ITO (Exemptions), Ward 1(4), Hyderabad.
3.	Pr.CIT, Hyderabad.
4.	DR, ITAT, Hyderabad.
5.	Guard file.

BY ORDER,